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My name is Sarah Poriss and I submit this testimony in support of S.B. No. 57, An Act Concerning the Direct Deposit of Wages.

I am a solo attorney and I work almost exclusively with clients who are in debt or who are in foreclosure. The ready identification of wages deposited into a consumer's bank account is vital to avoiding undue financial hardship in the case of consumers who are subject to bank executions. Almost every week I receive calls from people who learn that their bank accounts have been subject to execution. They are usually already financially strained and then they learn there is a hold on their account, which means they can't buy groceries, gas and other necessities and, they can't make their rent, mortgage payments or car payments. When they call me they are embarrassed, confused, frustrated and desperate for help. In almost every situation, they have also just written checks from their accounts that will inevitably be dishonored as a result of the bank execution. This will then cause them to incur additional bank fees as well as late fees charged by their creditors/landlords/mortgage lenders.

The most I can do for people in this situation is to explain the process of seeking an exemption from the execution. There is already a "catch-all" exemption to bank executions of up to \$1000, but claiming the exemption is a long, drawn-out process that takes up the resources of the court and the banks. When this "catch-all" exemption is claimed, the hearing is often 3-4 weeks away from the date the claim is made. In the short term the consumer has to wait for their next paycheck which is usually two weeks away; even one week is an eternity when you are already living paycheck to paycheck. At the hearing (for which the consumer must take time off of work), the judgment creditor and the court almost always agree to release the funds, but the consumer is set back financially by at least a month and it is difficult to catch up.

This bill will assure that banks will receive the information that will allow them to readily identify these deposits as being wages. The bill itself does not change the bank account execution statute itself, but it lays the groundwork for changing it in the future. It is therefore crucial for employers to be required to identify payroll direct deposits as wages, and then for bank employees to be educated that they are not to freeze or release up to \$1000 in funds identified as coming from payroll or wages, so that hard-working, already financially strapped consumers are not put even further behind by a bank execution.

Feel free to contact me with any questions. Thank you.

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